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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JEFF HATCH-MILLER, Chairman

WILLIAM A. MUNDELL

MARC SPITZER

MIKE GLEASON

KRISTIN K. MAYES

2006 FEB -1 P 1:40

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF
PINE WATER COMPANY FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES BASED THEREON FOR
UTILITY SERVICE AND FOR APPROVAL TO
INCUR LONG-TERM DEBT.

DOCKET NO. W-03512A-03-0279

PROCEDURAL ORDER

BY THE COMMISSION:

In Decision No. 67823 (May 5, 2005), the Arizona Corporation Commission ("Commission") modified the limit on new service connections for Pine Water Company ("Pine Water" or "Company") to allow two new residential connections per month until further Order of the Commission or April 30, 2006, whichever occurs first. Decision No. 67823 also directed Pine Water and the Commission's Utilities Division Staff ("Staff") to, among other things, "submit jointly or separately, by no later than October 31, 2005, a report with recommendations regarding specific long-term solutions to the Pine Water shortage issues."

By Procedural Order issued October 31, 2005, Pine Water was granted an extension of time, until November 10, 2005, to file its Report on Water Supply Alternatives ("Report"). Staff and intervenors were directed to file their Responses to the Company's Report by December 12, 2005, and Pine Water was directed to file a Reply to the Responses by December 23, 2005.

On November 10, 2005, Pine Water filed its Report.

Intervenors John Breninger and Robert Cassaro filed Responses on December 6 and 7, 2005, respectively. Responses to the Report were also filed on December 7, 2005 by the following individuals and/or entities: Tommie Cline Martin, District One Supervisor of the Gila County Board of Supervisors; Michael Ploughe, on behalf of Highland Water Resources Consulting, Inc.; Harry D. Jones, on behalf of HDJ Management; Barbara Hall, as both a customer of Pine Water and as

1 Chairman of the Pine/Strawberry Water Improvement District; Mark J. Fumusa, President of
2 Meadowview Inv., Inc.; and Sharon Allen, President of the Central Arizona Board of Realtors, Inc.

3 On December 12, 2005, Staff filed a Memorandum in response to the Company's Report
4 describing Staff's analysis and recommendations for the alternatives Staff believes should be
5 pursued.

6 On December 21, 2005, Pine Water filed a Reply to the various Responses filed by the
7 entities listed above and Staff.

8 On December 23, 2005, James Richey filed a letter setting forth his opinion regarding the
9 water supply alternatives.

10 IT IS THEREFORE ORDERED that a **Procedural Conference shall be scheduled for**
11 **February 21, 2006, at 10:00 a.m.**, at the offices of the Commission, 1200 West Washington,
12 Phoenix, Arizona 85007, for purposes of discussing hearing dates and any other procedural matters
13 related to Pine Water's Report on Water Supply Alternatives.

14 Dated this 15th day of February, 2006

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16 

17 DWIGHT D. NODES
18 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

19 Copies of the foregoing mailed/delivered
20 this 15th day of February, 2006 to:

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24 By:


25 Molly Johnson
26 Secretary to Dwight D. Nodes
27
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